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(d) Assure that it will use funds only to carry out the activities in § 675.45(a).

(Approved by the Office of Management and Budget under control number 1840-0535)

(Authority: 42 U.S.C. 2756b)

§ 675.49 Procedures and records.

In administering a Work-Colleges program under this subpart, an institution shall comply with the applicable provisions of 34 CFR part 673 and this part 675.

(Authority: 42 U.S.C. 2756b)

[59 FR 61418, Nov. 30, 1994, as amended at 61 FR 60396, Nov. 27, 1996]

§ 675.50 Termination and suspension.

Procedures for termination and suspension under this subpart are governed by applicable provisions found in 34 CFR part 668, subpart G of the Student Assistance General Provisions regulations.

(Authority: 42 U.S.C. 2756b)

APPENDIX A TO PART 675 [RESERVED]

PART 676—FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM

NOTE: An asterisk (*) indicates provisions that are common to parts 674, 675, and 676. The use of asterisks will assure participating institutions that a provision of one regulation is identical to the corresponding provisions in the other two.

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AUTHORITY: 20 U.S.C. 1070b—1070b-3, unless otherwise noted.

SOURCE: 52 FR 45778, Dec. 1, 1987, unless otherwise noted.

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§ 676.1 Purpose and identification of common provisions.

(a) The Federal Supplemental Educational Opportunity Grant (FSEOG) Program awards grants to financially needy students attending institutions of higher education to help them pay their educational costs.

*(b) Provisions in these regulations that are common to all campus-based programs are identified with an asterisk.

(Authority: 20 U.S.C. 1070b)

[52 FR 45778, Dec. 1, 1987, as amended at 59 FR 61420, Nov. 30, 1994]

§ 676.2 Definitions.

(a) The definitions of the following terms used in this part are set forth in subpart A of the Student Assistance General Provisions, 34 CFR part 668:

Academic Competitiveness Grant (ACG) Program
Academic year
Award year
Clock hour
Enrolled
Expected family contribution (EFC)
Federal Family Education Loan (FFEL)
Federal Pell Grant Program
Federal Perkins Loan Program
Federal PLUS Program
Federal SLS Program
Federal Work-Study (FWS) Program
Full-time student
HEA
National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) Program
Payment period
Secretary
Teacher Education Assistance for College and Higher Education (TEACH) Grant Program
TEACH Grant
Undergraduate student

(b) The Secretary defines other terms used in this part as follows:

**Financial need*: The difference between a student's cost of attendance and his or her EFC.

**Institution of higher education (institution)*: A public or private nonprofit institution of higher education, a proprietary institution of higher education, or a postsecondary vocational institution.

**Need-based employment*: Employment provided by an institution itself or by another entity to a student who has

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demonstrated to the institution or the entity (through standards or methods it establishes) a financial need for the earnings from that employment for the purpose of defraying educational costs of attendance for the award year for which the employment is provided.

(Authority: 20 U.S.C. 1070g, 1087aa–1087ii)

[52 FR 45778, Dec. 1, 1987, as amended at 53 FR 52582, Dec. 28, 1988; 57 FR 32357, July 21, 1992; 59 FR 61421, Nov. 30, 1994; 60 FR 61815, Dec. 1, 1995; 61 FR 60608, Nov. 29, 1996; 69 FR 12276, Mar. 16, 2004; 71 FR 38003, July 3, 2006; 72 FR 62030, Nov. 1, 2007; 73 FR 35495, June 23, 2008]

§§ 676.3–676.7 [Reserved]

§ 676.8 Program participation agreement.

To participate in the FSEOG program, an institution shall enter into a participation agreement with the Secretary. The participation agreement provides, among other things, that the institution shall—

(a) Use the funds it receives solely for the purposes specified in this part; and

(b) Administer the FSEOG program in accordance with the HEA, the provisions of this part, and the Student Assistance General Provisions regulations, 34 CFR part 668.

(Authority: 20 U.S.C. 1070b *et seq.*, and 1094)

[52 FR 45778, Dec. 1, 1987, as amended at 59 FR 61421, Nov. 30, 1994]

§ 676.9 Student eligibility.

A student at an institution of higher education is eligible to receive an FSEOG for an award year if the student—

(a) Meets the relevant eligibility requirements contained in 34 CFR 668.32;

(b) Is enrolled or accepted for enrollment as an undergraduate student at the institution; and

(c) Has financial need as determined in accordance with part F of title IV of the HEA. A member of a religious order (an order, community, society, agency, or organization) who is pursuing a course of study at an institution of higher education is considered to have no financial need if that religious order—

(1) Has as its primary objective the promotion of ideals and beliefs regarding a Supreme Being;

(2) Requires its members to forego monetary or other support substantially beyond the support it provides; and

(3) Directs the member to pursue the course of study or provides subsistence support to its members.

(Authority: 20 U.S.C. 1070b–1, 1070b–2 and 1091)

[52 FR 45778, Dec. 1, 1987, as amended at 59 FR 61421, Nov. 30, 1994; 62 FR 50848, Sept. 26, 1997]

§ 676.10 Selection of students for FSEOG awards.

(a)(1) In selecting among eligible students for FSEOG awards in each award year, an institution shall select those students with the lowest expected family contributions who will also receive Federal Pell Grants in that year.

(2) If the institution has FSEOG funds remaining after giving FSEOG awards to all the Federal Pell Grant recipients at the institution, the institution shall award the remaining FSEOG funds to those eligible students with the lowest expected family contributions who will not receive Federal Pell Grants.

(b) *Part-time and independent students.* If an institution's allocation of FSEOG funds is directly or indirectly based in part on the financial need demonstrated by students attending the institution as less-than-full-time or independent students, a reasonable portion of the allocation must be offered to those students.

(Authority: 20 U.S.C. 1070b–2)

[52 FR 45778, Dec. 1, 1987, as amended at 59 FR 61420, 61421, Nov. 30, 1994; 64 FR 58294, Oct. 28, 1999]

§§ 676.11–676.15 [Reserved]

§ 676.16 Payment of an FSEOG.

(a)(1) Except as provided in paragraphs (b) and (e) of this section, an institution shall pay in each payment period a portion of an FSEOG awarded for a full academic year.

(2) The institution shall determine the amount paid each payment period by the following fraction:

FSEOG

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N

where:

FSEOG=the total FSEOG awarded for an academic year and N=the number of payment periods that the institution expects the student will attend in that year.

(3) An institution may pay the student, within each payment period, at such times and in such amounts as it determines best meets the student's needs.

(b) If a student incurs uneven cost or estimated financial assistance amounts during an academic year and needs additional funds in a particular payment period, the institution may pay FSEOG funds to the student for those uneven costs.

(c) An institution shall disburse funds to a student or the student's account in accordance with the provisions in § 668.164.

(d)(1) The institution shall return to the FSEOG account any funds paid to a student who, before the first day of classes—

(i) Officially or unofficially withdraws; or

(ii) Is expelled.

(2) A student who does not begin class attendance is deemed to have withdrawn.

(e) A correspondence student shall submit his or her first completed lesson before receiving an FSEOG payment.

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(Authority: 20 U.S.C. 1070b. 1091)

[52 FR 45778, Dec. 1, 1987, as amended at 53 FR 49147, Dec. 6, 1988; 57 FR 32357, July 21, 1992; 59 FR 61420, 61421, Nov. 30, 1994; 59 FR 61722, Dec. 1, 1994; 61 FR 60396, Nov. 27, 1996; 61 FR 60608, Nov. 29, 1996; 71 FR 45698, Aug. 9, 2006; 72 FR 62030, Nov. 1, 2007]

§ 676.17 [Reserved]

§ 676.18 Use of funds.

(a) *General.* An institution may use its FSEOG allocation and reallocation only for—

(1) Making grants to eligible students; and

(2) Paying administrative expenses as provided for in 34 CFR 673.7.

(b) *Transfer back of funds to FWS.* An institution shall transfer back to the

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FWS program any funds unexpended at the end of the award year that it transferred to the FSEOG program from the FWS program.

(c) *Carry forward funds.* (1) An institution may carry forward and expend in the next award year up to 10 percent of the sum of its initial and supplemental FSEOG allocations for the current award year.

(2) Before an institution may spend its current year FSEOG allocation, it must spend any funds carried forward from the previous year.

(d) *Carry back funds.* An institution may carry back and expend in the previous award year up to 10 percent of the sum of its initial and supplemental FSEOG allocations for the current award year. The institution's official allocation letter represents the Secretary's approval to carry back funds.

(e) *Use of funds carried forward and carried back.* An institution may use the funds carried forward or carried back under paragraphs (c) and (d) of this section, respectively, for activities described in paragraph (a) of this section.

(f) *Carry back funds for summer FSEOG awards.* An institution may carry back and expend in the previous award year any portion of its initial and supplemental FSEOG allocations for the current award year to make awards to eligible students for payment periods that begin on or after May 1 of the previous award year but end prior to the beginning of the current award year.

(Authority: 20 U.S.C. 1070b *et seq.*, 1095 and 1096)

[52 FR 45778, Dec. 1, 1987, as amended at 57 FR 32357, July 21, 1992; 59 FR 61420, 61421, Nov. 30, 1994; 61 FR 60396, Nov. 27, 1996; 64 FR 58294, Oct. 28, 1999]

§ 676.19 Fiscal procedures and records.

(a) *Fiscal Procedures.* (1) In administering its FSEOG program, an institution shall establish and maintain an internal control system of checks and balances that insures that no office can both authorize payments and disburse funds to students.

(2) An institution shall maintain funds received under this part in accordance with the requirements in § 668.163.

(b) *Records and reporting.* (1) An institution shall follow the record retention and examination provisions in this part and in 34 CFR 668.24.

(2) An institution shall establish and maintain program and fiscal records that are reconciled at least monthly.

(3) Each year an institution shall submit a Fiscal Operations Report plus other information the Secretary requires. The institution shall insure that the information reported is accurate and shall submit it on the form and at the time specified by the Secretary.

(Approved by the Office of Management and Budget under control number 1840-0535)

(Authority: 20 U.S.C. 1070b, 1094, and 1232f)

[52 FR 45778, Dec. 1, 1987, as amended at 53 FR 49147, Dec. 6, 1988; 59 FR 61421, Nov. 30, 1994; 59 FR 61722, Dec. 1, 1994; 60 FR 61815, Dec. 1, 1995; 61 FR 60493, Nov. 27, 1996; 62 FR 50848, Sept. 26, 1997]

§ 676.20 Minimum and maximum FSEOG awards.

(a) An institution may award an FSEOG for an academic year in an amount it determines a student needs to continue his or her studies. However, except as provided in paragraph (c) of this section, an FSEOG may not be awarded for a full academic year that is—

- (1) Less than \$100; or
- (2) More than \$4,000.

(b) For a student enrolled for less than a full academic year, the minimum allowable FSEOG may be proportionately reduced.

(c) The maximum amount of the FSEOG may be increased from \$4,000 to as much as \$4,400 for a student participating in a program of study abroad that is approved for credit by the home institution, if reasonable costs for the

study abroad program exceed the cost of attendance at the home institution.

(Authority: 20 U.S.C. 1070, 1070b-1)

[52 FR 45778, Dec. 1, 1987, as amended at 59 FR 61421, Nov. 30, 1994]

§ 676.21 FSEOG Federal share limitations.

(a) Except as provided in paragraph (b) of this section, for the 1993-94 award year and subsequent award years, the Federal share of the FSEOG awards made by an institution may not exceed 75 percent of the amount of FSEOG awards made by that institution.

(b) The Secretary authorizes, for each award year, a Federal share of 100 percent of the FSEOGs awarded to students by an institution that—

(1) Is designated as an eligible institution under—

- (i) The Developing Hispanic-Serving Institutions Program (34 CFR part 606);
- (ii) The Strengthening Institutions Program, American Indian Tribally Controlled Colleges and Universities Program, or Alaska Native and Native Hawaiian-Serving Institutions Program (34 CFR part 607); or
- (iii) The Strengthening Historically Black Colleges and Universities Program (34 CFR part 608); and

(2) Requests that increased Federal share as part of its regular SEOG funding application for that year.

(c) The non-Federal share of SEOG awards must be made from the institution's own resources, which include for this purpose—

- (1) Institutional grants and scholarships;
- (2) Tuition or fee waivers;
- (3) State scholarships; and
- (4) Foundation or other charitable organization funds.

(Authority: 20 U.S.C. 1068d, 1103d, and 1070b-2)

[52 FR 45778, Dec. 1, 1987, as amended at 59 FR 61421, Nov. 30, 1994; 66 FR 34039, June 26, 2001]